

## Message Text

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ACTION DHA-02

INFO OCT-01 IO-11 ISO-00 ORM-02 VO-03 SCA-01 EUR-12 NEA-10

SS-15 NSC-05 AID-05 IGA-02 /069 W

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R 091350Z APR 76

FM USMISSION GENEVA

TO SECSTATE 9272

UNCLAS GENEVA 2753

E.O. 11652: NA

TAGS: SREF

SUBJ: USG ACCOUNTS IN ICEM LOAN FUND

REF: STATE 35950

1. MISSION CONDUCTED SURVEY OF VOLAG REPAYMENTS TO ICEM REFUGEE  
LOAN FUND ACCOUNTS NO. 1, AND 2 AND 3 FOR CALENDAR YEARS 1960 THROUGH  
1975. BASED ON INFORMATION RECEIVED FROM VOLAGS AND ICEM, REPAY-  
MENT RECORD TO LOAN FUNDS IS POOR, ESPECIALLY IF THE POLICY OF  
CANCELLING LOANS MORE THAN 10 YEARS OLD IS FOLLOWED. FOR THE PERIOD  
1960-1965 THERE REMAINS \$584,502 PAID FROM LOANS TOTALLING  
\$2,487,936. LATEST ICEM REPORT ON STATUS OF LOAN FUNDS SHOWS  
\$1,186,000 AS ESTIMATED VALUE OF PROMISSORY NOTES REPAYABLE  
CLOSE CY 1975 WHEREAS DETAILED ICEM STATISTICAL REPORT AT END  
CY 1975 BY VOLAG FOR YEARS 1960 TO 1975 INCLUSIVE SHOWS FOLLOWING  
LOAN BALANCES OUTSTANDING.

READ FOLLOWING IN FOUR COLUMNS SEPARATED BY TWO HYPHENS

COUNTRIES OF DESTINATION--A/C NO 1--A/C NO 2&E--TOTAL

USA--401,266--3,751,296--4,152,562

CANADA--108,360--790,054--898,414

AUSTRALIA/

NEWZEALAND--16,061--307,513--323,574

LATIN AMERICA--183--69,937--70,120

OTHER--300,844--2,804--303,647

TOTAL--826,714--4,921,604

THIRD COLUMN LESS VOLAG PREPAYMENTS--216,250

AGAINST ABOVE TOTALS THERE FOLLOWS ICEM'S ESTIMATED VALUE OF

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COLLECTABLE PROMISSORY NOTES.

A/C NO. 1--\$236,000 A/C NO.2--340,000 A/C NO. 3--\$610,000  
TOTAL--\$1,186,000

2. IF ICEM ASSUMPTION CORRECT, APPROXIMATELY 79 PERCENT OF

LOANS MADE OVER PERIOD 1960-1975 WILL BE UNCOLLECTABLE. MISSION FEELS THIS CAUSE FOR CONCERN SINCE MANY LOANS WERE MADE TO REFUGEES GOING TO COUNTRIES OTHER THAN US. IN REPLIES RECEIVED FROM ICEM AND VOLAG'S TO QUESTIONS ON HOW ICEM LOAN FUNDS ARE ADMINISTERED IT APPARENT NO CENTRAL DIRECTION EXISTS FOR RECORDING OF LOANS MADE TO REFUGEES OR COLLECTIONS/REFUNDS BY VOLAG'S TO ICEM, ICEM INFORMS THAT COLLECTION OF LOANS FROM REFUGEES ARE LEFT NO DISCRETION OF VOLAG'S. THIS, NOTWITHSTANDING, ICEM'S RESPONSIBILITY FOR THE MANAGEMENT AND OPERATION OF THE LOAN FUND IS OUTLINED IN ICEM DOCUMENT MC/742/REV DATED 8 DEC 1965.

3. IN GENEVA 1594, MISSION RECOMMENDED ACCEPTANCE PROPOSAL B WHEREBY \$100 PER CAPITA GRANT WOULD BE PAID HIAS FOR SHIPMENT OF EX-USSR PERSONAL EFFECTS RESETTLING OUTSIDE ISRAEL. RECOMMENDATION WAS BASED ON PROJECTED SAVINGS FROM SHORTFALL ON LOAN COLLECTIONS ESTIMATED AT 40 PER CENT AND 25 PER CENT FRO ADMINISTRATIVE COSTS. BASED ON ICEM REPORT PARA 1, HIAS LOAN COLLECTION RATE AVERAGING 52 PER CENT OF ICEM PRO-FORMA INVOICES END CY 1975 FOR A/C NO. 2 AND 3. THIS COMPARES WITH AVERAGE 68 PER CENT COLLECTION RATE FOR ALL VOLUNTARY AGENCIES.

4. THERE FOLLOWS ICEM REPORT OF CASH BALANCES IN LOAN FUND ACCOUNTS END CY 1975. ICEM EXCLUDED USG CONTRIBUTIONS MADE END DECEMBER TO ACCOUNTS 3 AND 4 SHOWN AS SEPARATE LINE ENTRY (1).

A/C NO.1--A/C NO. 2--A/C NO. 3--A/C NO. 4

88,781--458,073--1,483,079--0

A/C NO.3--(1) 1,500,000--A/C NO. 4--1,000,000

88,781--485,073--2,983,079--1,000,000

(A) 236,000--340,000--610,000

(B) A/C NO 3--1,190,000

(C) 324,781--798,093--4,783,079--1,000,000

(A) ESTIMATED VALUE OF PROMISSORY NOTES

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(B) DUE FROM JAFI 1976/77

(C) TOTAL USG EQUITY

BASED ON PROJECTED USG EQUITY IN ACCOUNT NO. 3, MISSION RECOMMENDS APPROVAL HIAS PROPOSED PARA 3 ABOVE AND REQUEST AUTHORIZATION TO DRAW DOWN \$600,000 FROM ACCOUNT NO. 3 FOR PAYMENT TO HIAS AGAINST QUARTERLY INVOICES.

5. MISSION OFFICERS MET WITH HAROLD GOLDBERG, COMPTROLLER

UIA ON USE ICEM LOAN FUNDS FOR PAYMENT TRANSPORTATION COSTS  
EX-USSR REFUGEES PERSONAL EFFECTS FROM VIENNA TO ISRAEL.  
PAYMENTS WOULD BE SAME AS PROPOSED FOR HIAS PARA 3 ABOVE.  
UIA WILL CONTACT D/HA TO DISCUSS POSSIBILITY TO USE LOAN FUNDS  
FOR THIS PURPOSE UNDER PROPOSAL PARA 3 ABOVE.

6. MISSION AIR MAILING COPIES OF VOLAG AND ICEM REPORTS  
REFERRED TO PARA 1 ABOVE. DALE

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## Message Attributes

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**Copy:** SINGLE  
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